REMARKS

Applicant respectfully requests reconsideration of this application as amended. Claims 1-17 are pending in the application. Claims 12 and 15 have been amended. Claims 18-20 have been added. Claims 1-11, 14, and 16-17 have been canceled without prejudice.

The Examiner objected to claims 7 and because of informalities. Applicant has cancelled these claims without prejudice. Therefore, Applicant respectfully submits that the rejection has been obviated.

The Examiner rejected claims 1, 4-10, 16 and 17 under 35 U.S.C. § 102(b) as being unpatentable by Donescu (PGPUB-DOCUMENT-NUMBER: 20020051560). Applicant has cancelled these claims without prejudice. Therefore, Applicant respectfully submits that the rejection has been obviated.

The Examiner rejected claims 2 and 11 under 35 U.S.C. § 103(a) as being unpatentable over Donescu in view of Rhoads (PGPUB-DOCUMENT-NUMBER: 20040001608). Applicant has cancelled these claims without prejudice. Therefore, Applicant respectfully submits that the rejection has been obviated.

The Examiner rejected claims 3 and 14 under 35 U.S.C. § 102(e) as being unpatentable over Donescu in view of Wang (A Region and Data Hiding Based Error Concealment Scheme for Images, Consume Electronics, IEEE Transactions on Publication Date: May 2001, Issue: 2. Pages 257-262). Applicant has cancelled these claims without prejudice. Therefore, Applicant respectfully submits that the rejection has been obviated.

The Examiner objected to Claims 12, 13 and 15 as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Applicant has amended Claims 12 and 15 to include

substantially all of the limitations of the base claim and any intervening claims. Therefore, Applicant respectfully submits that Claims 12, 13 and 15 are in condition for allowance.

Claims 18-20 have been added. These claims have limitations that are substantially similar to Claims 12, 13 and 15 except that they have been drafted in a method format.

Therefore, Applicant respectfully submits that Claims 18-20 are allowable for the same reasons as claims 12, 13 and 15.

Accordingly, Applicants respectfully submit that the objections and rejections to the claims have been overcome by the amendments and the remarks and withdrawal of these rejections is respectfully requested. Applicants submit that Claims 12, 13, and 15 as amended and Claims 18-20 as added are in condition for allowance and such action is earnestly solicited.

If there are any additional charges, please charge Deposit Account No. 02-2666 for any fee deficiency that may be due.

Respectfully submitted,

BLAKELY SOKOLOFF TAYLOR & ZAFMAN LLP

Date: 6 /5 /07

By: _

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